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C O N F I D E N T I A L SECTION 01 OF 03 SANTIAGO 000927

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TAGS: PGOV ECON CI

SUBJECT: CHILE: SCENESSETTER FOR 2009 ELECTIONS

REF: SANTIAGO 404; SANTIAGO 899; SANTIAGO 755; SANTIAGO 919
SANTIAGO 897

CLASSIFIED BY: Laurie Weitzenkorn, A/DCM; REASON: 1.4(B), (D)

11. (SBU) SUMMARY: Chile's presidential and congressional elections are scheduled to take place December 13. The presidential race will likely result in a run-off election, to be held January 17, while congressional elections will not produce a working majority for either major coalition. Alianza presidential candidate Sebastian Pinera hopes to end 20 years of Concertacion rule and is widely expected to advance to the second round. Former President and Concertacion candidate Eduardo Frei and upstart independent Marco Enriquez-Ominami are competing for the second spot in the runoff. END SUMMARY.

PRESIDENTIAL ELECTION: HISTORICAL BACKGROUND AND THE ELECTORAL SYSTEM

12. (U) This cable summarizes previous reporting to provide an overview of Chile's upcoming presidential and congressional elections. Septels will provide more detailed information on the current state of play in both the presidential and congressional races.

13. (SBU) Chile's presidential elections will take place December 13. This is the fifth time Chileans have gone to the polls to elect a president since the 1988 plebiscite ended the Pinochet dictatorship. The previous four elections produced victories for the Concertacion, a center-left coalition of four political parties (Socialist Party - PS, the Party for Democracy - PPD, the Radical Social Democrat Party - PRSD, Christian Democrats - DC). The Alianza, a conservative coalition composed of the Revolucion Nacional (RN) and Independent Democratic Union (UDI) parties, seeks its first chance to govern since the return to democracy in 1990.

14. (SBU) The electoral system is based on the 1980 Constitution and requires a candidate to receive 50 percent of the votes plus one to win in the first round of voting. No candidate in this year's election is expected to receive this percentage in the first round, so a second round is almost guaranteed. The second round election would feature the top two candidates from the first round

in an election held on January 17, 2010. The next president will be inaugurated on March 11, 2010 and serve a four-year term (Ref A).

PRESIDENTIAL CANDIDATES: TWO WELL-KNOWN FACES, AN UPSTART, AND AN ALSO-RAN

15. (C) President Bachelet, Chile's immensely popular leader, is constitutionally precluded from seeking immediate re-election. There are four candidates vying to succeed her, and three have a chance of making it to the second round.

-- Eduardo Frei Ruiz-Tagle: a Christian Democrat and the Concertacion candidate, Frei is attempting to regain the presidency that he held from 1994-2000 and that his legendary father, Eduardo Frei Montalva, held from 1964-1970. Smart, dependable, honest, and dull, Frei represents both stability and stagnant politics. (See complete profile of Frei in Ref B)

SANTIAGO 00000927 002 OF 003

-- Sebastian Pinera: a Harvard-educated billionaire and former Senator, Pinera is the Alianza candidate from the RN party. This is Pinera's second serious run for the presidency. He hopes to win as the agent of responsible change - someone who will invigorate the country without altering popular social welfare programs. (See complete profile of Pinera in Ref C)

-- Marco Enriquez-Ominami: a 36 year-old filmmaker and former member of the Socialist party, Enriquez-Ominami is an upstart, independent candidate. His surprisingly successful campaign is attributed more to his colorful background and the public's dissatisfaction with the political establishment than any substantive accomplishments or vision. (See complete profile of Enriquez-Ominami in Ref D)

-- Jorge Arrate: also a former member of the Socialist party, he is the far-left candidate for the Juntos Podemos (Together We Can) coalition composed of the Humanist/Communist parties. Although he is a well-respected statesman who served as minister three times, he is not expected to advance to the second round.

PERSPECTIVES ON THE PRESIDENTIAL ELECTION

16. (SBU) Differences in policies between the leading presidential candidates are minimal, although Pinera emphasizes the role of the private sector and Frei emphasizes that the government could do more and do it better. The real theme of the presidential election is continuity (building on good policies of prior Concertacion governments) versus change (arguing for a new governing coalition after 20 years of Concertacion rule) and how the candidates can sell themselves to voters looking at both factors. The other main themes center around the campaign process: the surprisingly strong unity of the right behind Pinera (in the last presidential election the right has run competing candidates in the first round), the weak Frei campaign that has failed to take advantage of President Bachelet's extremely high popularity, and the unexpected surge of Enriquez-Ominami.

¶7. (SBU) Pinera has held a steady lead throughout the race, and a respected poll recently showed him with 36 percent of the first round vote. Frei followed with 26 percent, and Enriquez-Ominami placed third with a surprisingly strong 19 percent (Ref E). This is the first time an Alianza candidate has been in the lead this late in the race, and the real question are who will face Pinera in the second round and to what extent either Frei or Enriquez-Ominami will be able to close the gap with Pinera in the second round.

CONGRESSIONAL ELECTIONS: THE BINOMIAL SYSTEM AND GERRYMANDERED DISTRICTS

¶8. (SBU) Chileans will also vote in congressional elections on December 13. All 120 Chamber of Deputy seats and 18 of the 38 Senate seats are in play. Chile's unique binomial system makes it extremely difficult for any coalition to win more than one seat per district. The result is that both coalitions win roughly the same number of seats. Since Congress usually includes some independents and representatives of other political groupings, it is difficult for either leading coalition to establish majority rule in either the Senate or Chamber of Deputies. Each coalition or political

SANTIAGO 00000927 003 OF 003

party presents a slate of two Senate candidates for each circumscription and another slate of two Chamber of Deputies candidates for each district. Voters cast ballots for one Senate candidate and one Chamber of Deputies candidate. The slate with the most votes earns one of the two seats, with the seat being awarded to the candidate on the slate with the highest number of votes. However, a single slate of candidates must outperform the second-place slate of candidates by a margin of more than two-to-one in order to gain both seats. As Chile's congressional elections have been dominated by two coalitions, in practice this has meant that the winning list must receive roughly 66 percent of the votes to gain both seats in a given district, a process known as "doubling." This happens relatively rarely, and whether a coalition can replicate "doubling" in a handful of districts will be an important factor in determining which coalition fared better in this election.

¶9. (SBU) Another important feature of Chile's congressional elections is the gerrymandering instituted by the Pinochet government that maximized areas that supported the military government during the plebiscite. Chamber districts are not based on population, and the 20 least populated districts elect 40 deputies while the 7 most populated districts - representing roughly the same population - elect only 14 deputies. Many Senate circumscriptions (districts) are the same as Chile's regions (similar to the U.S. where Senate districts are states, but some regions are divided into two circumscriptions).

LIKELY CONGRESSIONAL OUTCOME: DIVISIONS RATHER THAN A MAJORITY

¶10. (SBU) This election will likely produce a slight plurality in both houses for either the Concertacion or Alianza, but neither coalition is expected to earn a working majority. In addition to the Concertacion and Alianza lists, Enriquez-Ominami's campaign and

a group of former Concertacion congressmen put forward lists. There are also several independent candidates running. The extra lists and independent candidates will make "doubling" that much harder. In an effort to boost its support, the Concertacion agreed for the first time to include the Communist party on its congressional list. It is probable that the Communists, independents, and candidates from Enriquez-Ominami's list will win one-to-two seats each, producing a fractured Congress. Septel will provide more information on congressional elections.

ELECTION WILL BE FREE AND FAIR BUT FEWER CHILEANS VOTING

¶11. (SBU) The election is expected to be free, fair, and open. Voter apathy remains a concern. Chile's electorate of roughly eight million has changed little in the last twenty years and is largely composed of people who registered to participate in the 1988 plebiscite. Participation in presidential elections has steadily decreased. Few young people register to vote because inscription is voluntary, while voting is mandatory. Congress approved legislation to make inscription automatic and voting voluntary, but the law will not be implemented for this election. There are no absentee or overseas voting mechanisms, so individuals who cannot vote because they are geographically too distant will have to abstain.

SIMONS